

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act of the
State of Washington by:

Q-2Synergy, Inc. and Dudley Gee

Respondents.

S-03-058-03-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST

CASE NUMBER S-03-058

THE STATE OF WASHINGTON TO:

Q-2Synergy, Inc.
Dudley Gee
Camas, Washington

On July 29, 2003, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist number S-03-058-03-SC01 hereinafter referred to as Statement of Charges.

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing" and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing", were served on Q-2Synergy, Inc. and Dudley Gee on August 4, 2003. The Notice of Opportunity for Hearing advised Q-2Synergy, Inc. and Dudley Gee that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Q-2Synergy, Inc. and Dudley Gee failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST

1 The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as
2 set forth in the Statement of Charges.

3
4 The Securities Administrator makes the following findings of fact and conclusions of law:

5
6 **FINDINGS OF FACT**

7 **I. PARTIES**

8 1. Q-2Synergy, Inc. ("Q-2Synergy") is a Nevada corporation with its principal place of business
9 in Camas, Washington.

10 2. Dudley Gee ("Gee"), also known as Dudley Fino, is the president and CEO of Q-2Synergy,
11 Inc.

12
13 **II. NATURE OF THE OFFERING**

14 3. Between April 2002 and December 2002, Gee caused advertisements to be placed in the
15 periodical "USA Today". These advertisements included statements such as: "\$48,000 Is what I earned in
16 my first 60 days", "\$500,000 PROFIT 1st year in Business", "Corporate Marketing Business", "Full
17 Training Provided", etc. The advertisements included a toll-free telephone number that interested readers
18 could call to obtain more information.

19 4. By the end of December 2002, at least 5 people responded to these advertisements and
20 purchased a Corporate Business Package from Gee. All five were residents of states other than the state of
21 Washington. All five entered into contracts with Q-2Synergy and Gee that contained similar provisions.
22 These contracts reference an address in Camas, Washington as the main address of Q-2Synergy.

23
24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST

1 5. All five purchasers paid a fee ranging from \$10,000 to \$15,000 for the Corporate Business
2 Package.

3 6. The Corporate Business Package that Gee offered and sold allowed the purchaser to set up a
4 Small Business Center and act as an Independent Contractor/Marketing Representative for Q-2Synergy.
5 The purchaser would market and sell a financial education package and would receive commissions for each
6 sale from Q-2Synergy.

7 7. Upon payment of the agreed fee, the purchaser was to receive a Nevada corporation with a
8 corporate name chosen by the purchaser, including filing of all appropriate documents and payment of all
9 required fees.

10 8. The purchaser would also receive a program that would assist the purchaser in advertising
11 and selling the financial education package. This program included one full day of training on the product
12 and sales techniques, a training manual including sample newspaper advertisements and scripts, product
13 flyers and brochures, a 15-minute power point presentation explaining the product, a personalized website,
14 and other such products and services.

15 9. The contracts included a guarantee that if, after 90 days of effort to promote the small
16 business center, the purchaser was not operating on a profitable basis, Q-2Synergy would aid the purchaser
17 in reselling their business.

18 10. At least three of the purchasers state that they did not receive the services or materials as
19 promised in the contract, including but not limited to a power point presentation, product flyers and
20 brochures, a personalized website, and a full day of training. At least one purchaser states that she never
21 received a Nevada corporation as promised.
22

23
24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST
27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

III. MISREPRESENTATIONS AND OMISSIONS

11. Gee and Q-2Synergy failed to provide purchasers with a Disclosure Document containing material information, including but not limited to financial statements for Q-2Synergy and the data on which projected sales or earnings estimates are based.

IV. REGISTRATION STATUS

12. Q-2Synergy is not currently registered to sell business opportunities as required by the Business Opportunity Fraud Act of Washington and has not previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

I.

The offer or sale of business opportunities described above constitutes the offer or sale of a business opportunity as defined in RCW 19.110.020.

II.

The offer or sale of said business opportunities is in violation of RCW 19.110.050 because no registration for such offer or sale is on file with the Securities Administrator.

III.

The offer or sale of said business opportunities was made in violation of RCW 19.110.070 and RCW 19.110.120 because Respondents failed to provide prospective purchasers the required Disclosure Document including financial statements and data on which projected earnings are based.

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST

1

2

3 **FINAL ORDER**

4 It is hereby ORDERED that the Q-2Synergy, Inc. and Dudley Gee, their agents, and employees
5 each cease and desist from offering and/or selling business opportunities in any manner in violation of
6 RCW 19.110.050, the section of the Business Opportunity Fraud Act requiring registration.

7 It is hereby ORDERED that the Q-2Synergy, Inc. and Dudley Gee, their agents, and employees
8 each cease and desist from offering and/or selling business opportunities in any manner in violation of
9 RCW 19.110.070, the section of the Business Opportunity Fraud Act requiring a disclosure document
10 to be provided.


11 It is further ORDERED that Q-2Synergy, Inc. and Dudley Gee, their agents, and employees each
12 cease and desist from violation of RCW 19.110.120, the anti-fraud section of the Business
13 Opportunity Fraud Act.

14 This Order is entered pursuant to RCW 19.110.150 and is subject to the provisions of ch. 34.05
15 RCW.
16
17
18
19
20
21
22
23

24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST
27

1
2 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

3
4 DATED this 5 day of September, 2003.

5
6
7 

8 DEBORAH R. BORTNER
9 Securities Administrator

10 Presented by:

11 

12 Susan H. Anderson
13 Financial Legal Examiner

14 Approved by:

15
16 

17 Michael E. Stevenson
18 Chief of Enforcement

19
20
21
22
23
24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST
27